



## New Appraiser Laws Impact Almost Everyone

During the 1999 Legislative session, significant changes were made to the Real Estate Appraiser Statute that will severely impact almost all of Utah's appraisers. All appraisers in the state should understand what the changes will mean to them and how they conduct their business.

### *State-Certified General and State-Certified Residential Appraisers (CG or CR)*

The law will have the least impact on these two classifications. However, for a person to get started in the appraisal profession, he will now have to be supervised by an experienced appraiser who is willing to spend time teaching and training this beginner. It is anticipated that many of Utah's more experienced appraisers will be willing to share their knowledge and experience and mentor new persons into the profession. Page 2 explains this process and what will be expected of the supervising appraiser.

### *State-Licensed Appraiser (LA)*

This is a brand new category of appraiser that Utah has never had before. It is a classification that is between the Registered Appraiser and the Certified Residential Appraiser. Anyone aspiring to this classification will need to: (1) complete 90 hours of prelicensing education, (2) complete a minimum of 400 *supervised* experience points, and (3) pass a prelicensing examination. For the appraisal authority of the State-Licensed Ap-

praiser, please see page 3. To begin the process toward becoming a Licensed Appraiser, contact the Division of Real Estate at 530-6747 to obtain an application packet.

### *State-Registered Appraiser (RA)*

This classification of license will eventually be phased out. No new Registered Appraisers will be licensed.

After May 3, 2001, if those persons holding the Regis-

tered Appraiser classification have not advanced on to the Licensed Appraiser classification (or become certified), they will automatically revert to a "non-classified" status. Until their expiration date, Registered Appraisers will retain the same appraisal authority they have always held.

### *Non-classified Status*

Those persons wishing to enter the appraisal profession must first align themselves with an appraiser who is classified as either a Licensed Appraiser (LA), a Certified Residential (CR) or a Certified General (CG) appraiser. This person will act in a

supervisory capacity to this "non-classified" person until he/she has gained the appropriate number of experience points. The non-classified person is limited in the types of appraisal activities that can be performed (see page 4 for appraisal authority), and he/she will not be able to sign an appraisal report.

*"All appraisers in the state should understand what the changes will mean to them and how they conduct their business."*

## Supervisory Appraiser-- What Does It Mean?

With the enactment of the new appraiser laws, how can someone get started in the field with no education and no experience?

A brand new appraiser candidate will have to affiliate with a supervisory appraiser who is willing to do just that: supervise. The candidate will be limited in the types of appraisal activities he/she can perform, and the supervisory appraiser will assign and monitor each activity.

The candidate will keep an experience log which will be part of the application packet. Each task will be done under the direction and supervision of the supervisory appraiser. At the end of the task, the supervisory appraiser will sign the log, indicating that the task was satisfactorily completed. In this way, the candidate will accumulate the experience points necessary to move into classified appraiser status.

Page 4 outlines the activities the candidate is allowed to perform. The application packet (available from the Division) identifies how many experience points are available for each activity. The packet also contains the experience log that needs to be signed by the supervisory appraiser.

## How to Become an Appraiser in The State of Utah

Inasmuch as after May 3, 1999, no new persons can be registered as "Registered Appraisers," those persons who were not already registered/certified by that date have expressed concern as to exactly what they must do to become a classified appraiser. First they must become affiliated with a Licensed Appraiser, Certified Residential or Certified General appraiser. How do they do this?

These jobs may be found at banks, credit unions, mortgage companies, government agencies, appraisal firms, or with private, individual appraisers. These jobs may or may not require some post-high school education or possibly an associate or bachelors degree. Some positions involving complicated properties may require a masters degree. Attempting to get a job with a small, private appraisal office may require bringing some additional business into the firm.

It is imperative that the person remember that all work must be done under the supervision of a classified appraiser. The supervisory appraiser must authorize, supervise and sign all work. The unclassified person is initially limited in what tasks he may perform. Please refer to page 4 for the appraisal authority for an unclassified individual.

After working in this apprentice position for a minimum of two years (24 months), the person may be ready to upgrade his/her status to that of a classified position. This involves providing documentation of education and experience plus taking an examination. The application forms for either Licensed Appraiser, Certified Residential Appraiser or Certified General Appraiser are available from the Division of Real Estate.



### Utah Real Estate Appraiser Review

**Purpose:** To provide licensees with the information and education they need to be successful in competently serving the public

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# Appraiser Education, Exam and Experience Requirements

# Appraisal Authority of Unclassified Individuals

*All work will be done under  
the direct supervision of a state-licensed or  
state-certified appraiser*

A. Candidate has accumulated no experience points or completed any education

1. May perform the following duties (with supervision)
  - (a) type an appraiser's research notes
  - (b) type an appraisal report
  - (c) accompany an appraiser on an inspection visit
  - (d) assist an appraiser in measuring property
  - (e) take photographs of specific properties selected by the appraiser
  - (f) perform routine calculations
  - (g) obtain copies of assessment records, deeds, maps, and data from real property data bases relating to properties selected by the appraiser.

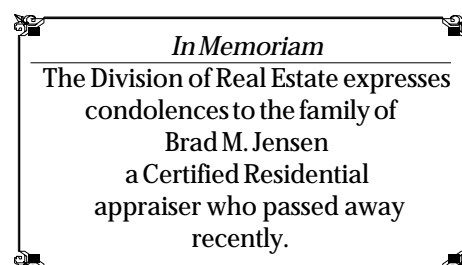
2. May **NOT** perform the following duties:

- (a) select comparables for an appraisal assignment
- (b) make adjustments to comparables
- (c) draft an appraisal report
- (d) except when working in the presence of a classified appraiser, may not inspect a property that is the subject of an appraisal or that may be used as a comparable in an appraisal, or measuring a property

B. Candidate has accumulated a minimum of 100 experience points and completed at least 30 hours of education (is now considered an appraiser "trainee")

1. May perform the following duties (with supervision)
  - (a) participate in selecting comparables for an appraisal assignment
  - (b) participate in making adjustments to comparables
  - (c) draft appraisal reports
  - (d) when working in the presence of a state-licensed or state-certified appraiser, inspect a property that is the subject of an appraisal or that may be used as a comparable in an appraisal, and measure a property.

An unclassified candidate may not sign an appraisal report or discuss an appraisal assignment with anyone other than the appraiser responsible for the assignment, state enforcement agencies and such third parties as may be authorized by due process of law, or a duly authorized professional peer review committee.



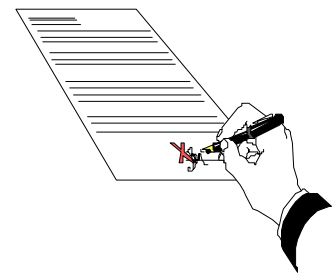
# Proposed Rules Changes



In response to the new changes to the appraiser statute, the following rules changes are being proposed by the Appraiser Board in order to implement the new changes.

Rule making has been enacted. The comment period is until July 15, 1999. If you wish to make comments regarding the attached proposed rules, please do so before that date. **Written** comments (only) should be made to Ted Boyer, Utah Division of Real Estate, PO Box 146711, Salt Lake City, Utah 84114-6711.

## remember



**You Must Notify the Division  
-- in Writing --  
Within 10 Days of:**

- a change of personal address
- a change of business address
- a change of name
- a change of personal or business telephone number

**R162. Commerce, Real Estate.****R162-101. Authority and Definitions.****R162-101-1. Authority.**

101.1 The following administrative rules, applicable to the Division of Real Estate, Department of Commerce, have been established under the authority granted by Section 61-2b-6(1).

101.1.1 The authority to establish and collect fees is granted by Section 61-2b-37.

**R162-101-2. Definitions.**

~~[101.2.1 Licensee: one who has paid all the applicable license fees and has been granted the authority to act as a senior appraiser, a registered appraiser, a certified residential or a certified general appraiser.]~~ 101.2.1 AQB: the Appraiser Qualifications Board of The Appraisal Foundation, 1029 Vermont Avenue, N.W., Suite 900, Washington, D.C. 20005.

101.2.2 Board: the Utah Appraiser Licensing and Certification Board.

101.2.3 Classification: the type of registration, license, or certification held by an appraiser.

101.2.4 Division: the Division of Real Estate of the Department of Commerce.

101.2.[2]5 Reinstatement: renewing a license, registration, or certification for an additional ~~[licensing]~~ period after its expiration date has passed but prior to six months after the expiration date.

~~[101.2.3 Reissuance: the renewal by the division of a license upon its expiration or the reinstatement of a license within six months of its expiration as provided in Section 61-2b-20.]~~

101.2.[4]6 Renewal: extending a license, registration, or certification for an additional ~~[licensing]~~ period upon its expiration.

101.2.7 Unclassified individual: An individual who does not hold any appraisal classification issued by the Division.

101.2.8 USPAP: The Uniform Standards of Professional Appraisal Practice published by The Appraisal Foundation, 1029 Vermont Avenue, N.W., Suite 900, Washington, D.C. 20005.

**R162-102. ~~[Licensing]~~ Application Procedures.****R162-102-1. ~~[Licensing]~~ Application.**

102.1.1 Initial Review - An applicant for ~~[registration]~~ licensure or certification as an appraiser will be required to submit, on forms provided by the Division, documentation indicating successful completion of the education and experience required by the state of Utah ~~[and, for either Certified Residential or Certified General status, completion of the required experience].~~

102.1.1.1 The application may be reviewed by ~~[the]~~ an Appraiser Education Review Committee appointed by the Real Estate Appraiser Licensing and Certification Board to determine if the education requirement has been met.

102.1.1.2 The candidate ~~[for either Certified Residential or Certified General status]~~ will provide evidence of meeting the experience requirement by completing the form required by the Division.

**102.1.2 Exam Application**

102.1.2.1 Upon determining the candidate has completed the education and experience requirements ~~[for either Certified Residential or Certified General status]~~, the Division will issue an examination application form to the candidate.

102.1.2.2 The candidate will make application to take the examination by returning the application form and the appropriate testing fee to the testing service designated by the Division. If the applicant fails to take the examination, the fee will be forfeited.

**102.1.3 ~~[Registration/Certification]~~ Final Application**

~~[102.1.3.1 Registration Status - When the education of the candidate has been reviewed and approved, the candidate will be notified to complete the application form required by the Division.]~~

102.1.3.[2]1 ~~[Certified Residential and Certified General Status]~~ Within 90 days after successful completion of the exam, the appraiser applicant must return to the Division each of the following:

102.1.3.[2]1.1 A report from the testing service indicating successful completion of the exam.

102.1.3.[2]1.2 The license application form required by the Division. The application form shall include the ~~[licensee's]~~ applicant's business and home addresses. A post office box without a street address is unacceptable as a business or home address. The ~~[licensee]~~ applicant may designate either address to be used as a mailing address.

102.1.3.[2]1.3 The appropriate license or ~~[state]~~ certification fee, which will include the fee for the federal registry.

**R162-102-2. Status Change.**

102.2.1 A registered, ~~[senior appraiser]~~ licensed or certified appraiser must notify the Division within ten working days of any status change. Status changes are effective on the date the properly executed forms and appropriate fees are received by the Division. Notice must be made in writing on the forms required by the Division.

102.2.1.1 Change of name requires submission of official

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documentation such as a marriage or divorce certificate, or driver's license.

102.2.1.2 Change of business, home address or mailing address requires written notification. A post office box without a street address is unacceptable as a business or home address. ~~[The licensee may designate a]~~Any address ~~[to be used]~~may be designated as a mailing address.

102.2.2 ~~[Those appraisers licensed as either]~~Registered or ~~[Senior]~~State-licensed Appraisers, upon meeting the appropriate requirements for certification and upon filing a completed~~[license]~~ application within six months from their last renewal, will be allowed to transfer to the categories of either Certified Residential or Certified General by paying only a transfer fee and the fee for the federal registry.

102.2.2.1 ~~[The original expiration date of the Registered or Senior Appraiser license will remain the same.]~~Transfer to a certified category will not change the individual's expiration date.

### **R162-102-3. Renewal.**

102.3.1 At least 30 days before expiration, a renewal notice shall be sent by the Division to the registered, ~~[senior appraiser]~~licensed or certified appraiser at the mailing address shown on the Division records. The ~~[licensee]~~applicant for renewal must return the completed renewal notice and the applicable renewal fee to the Division on or before the expiration shown on the notice.

102.3.1.1 The registered, senior appraiser or certified appraiser must return proof of completion of 28 hours of continuing education taken during the preceding two years.

102.3.1.1.1 Even though the appraiser may have changed licensing categories, every third time the appraiser renews, the appraiser will provide evidence of having completed, within the two years prior to the third renewal, a course in the Uniform Standards of Professional Appraisal Practice. This USPAP course will be a 15-hour course and will include passing of a final exam. This 15 hours of credit may be used to meet part of the continuing education requirement for that renewal period. The appraiser must obtain and study the Utah Real Estate Appraiser ~~[Registration]~~Licensing and Certification Act and the rules promulgated thereunder and must sign an attestation that he understands and will abide by them.

102.3.1.1.2 Those State-Licensed Appraisers who were Senior Appraisers prior to May 3, 1999 and who completed a USPAP course after January 1, 1993 will not be required to complete the USPAP course again in order to renew until their third renewal following the date upon which they completed the USPAP course.

102.3.1.1.3 Those appraisers who were State-Registered Appraisers prior to May 3, 2001 and who completed a USPAP course after January 1, 1993 will not be required to complete the USPAP course again in order to renew until their third renewal following the date upon which they completed the USPAP course.

102.3.2 If the renewal fee and documentation are not received within the prescribed time period, the registration, license or certification shall expire.

102.3.2.1 A registration, license or certification may be renewed for a period of 30 days after the expiration date upon payment of a late fee in addition to the requirements of Section 102.3.1.

102.3.2.2 After this 30-day period and until six months after the expiration date, the registration, license or certification may be reinstated upon payment of a reinstatement fee in addition to the requirements of Section 102.3.1. It shall be grounds for disciplinary sanction if, after the ~~[license has expired]~~expiration date, the individual continues to perform work for which a registration, license or certification is required.

102.3.2.3 A person who does not renew ~~[his]~~a registration, license or certification within six months after the expiration date shall be reregistered, relicensed or recertified as prescribed for an original application. The applicant will receive credit for previously credited prelicensing education, but the senior appraiser and registered appraiser applicant will need to complete a USPAP course and also retake the prelicensing exam. Applicants for a new license or certification will be required to complete a USPAP course and retake the examination for the classification for which they are applying.

102.3.3 If the Division has received renewal documents in a timely manner but the information is incomplete, the appraiser shall be extended a 15-day grace period to complete the application.

### **R162-102-4. Six-Month Temporary Permits.**

102.4.1 A non-resident of this state may obtain a permit for a period of six months to practice as ~~[a registered or certified]~~an appraiser in this state. An applicant must:

102.4.1.1 Submit an application in writing requesting ~~[registration]~~temporary licensure or certification;

102.4.1.2 Provide a complete history sent directly to the Division by his home state, and any other state in which he holds a license or certification, which indicates the type of license or certification held, the date ~~[the current license]~~it expires, and a statement concerning whether disciplinary action has ever been taken, or is pending, against the individual~~[s appraisal license]~~;

102.4.1.3 Sign an irrevocable consent to service authorizing the Division to receive service of any lawful process on his behalf in any noncriminal proceeding arising out of his practice as an appraiser in this state;

102.4.1.4 Pay an application fee in the amount established by the Division; and

102.4.1.5 Provide the starting date of the appraisal assignment for which the temporary permit is being obtained.

102.4.2 A temporary permit may be renewed once by paying an additional fee and submitting the forms required by the Division.

**R162-102-5. Reciprocity.**

102.5.1 An individual who is licensed or certified as an appraiser by another state may be ~~registered~~ licensed or certified in Utah by reciprocity on the following conditions:

102.5.1.1 The other state must have required the applicant to satisfactorily complete classroom hours of appraisal education approved by that state which are substantially equivalent in number to the hours required for the class of ~~registration~~ licensure or certification for which he is applying in Utah;

102.5.1.2 The education must have included a course in the Uniform Standards of Professional Appraisal Practice;

102.5.1.3 The applicant must obtain and study the Utah Real Estate Appraiser Registration and Certification Act and the rules promulgated thereunder and must sign an attestation that he understands and will abide by them;

102.5.1.4 ~~If~~ The applicant ~~[is applying for certification, he]~~ must have passed an examination which has been approved by the ~~[Appraiser Qualifications Board of the Appraisal Foundation]~~ AQB for the class of licensure or certification for which he is applying;

102.5.1.5 If the applicant resides outside of the state of Utah, he must sign an irrevocable consent to service authorizing the Division to receive service of any lawful process on his behalf in any noncriminal proceeding arising out of his practice as an appraiser in this state;

102.5.1.6 The applicant must provide a complete licensing history sent directly to the Division by his home state and any other state in which he has been licensed, which shall include the applicant's full name, home and business addresses and telephone numbers, the date first licensed, the type or types of licenses or certifications held, the date the current license or certification expires, and a statement concerning whether disciplinary action has ever been taken, or is pending, against the individual ~~[s appraisal license]~~;

102.5.1.7 The applicant shall not have been convicted of a criminal offense involving moral turpitude relating to his ability to provide services as an appraiser; and

102.5.1.8 The applicant must agree, as a condition of licensure or certification, that he will furnish to the Division upon demand all records requested by the Division relating to his appraisal practice

in Utah. Failure to do so will be considered grounds for revocation of license or certification.

**R162-103. Appraisal Education Requirements~~[for Prelicense and Continuing Education Course, School and Instructor Certification.]~~**

**R162-103-1. Definitions.**

103.1.1 For the purposes of this rule, "school" includes:

- (a) An accredited college, university, junior college or community college;
- (b) Any state or federal agency or commission;
- (c) A nationally or state recognized real estate appraisal or real estate related organization, society, institute, or association;
- (d) Any other school or organization as approved by the Board.

103.1.2 "School director" means an authorized individual in charge of the educational program at a school.

**R162-103-2. ~~[Prelicense]~~ School Certification.**

103.2.1 Each school requesting certification shall make application for approval on the form prescribed by the Division, and shall submit the applicable fees. The application shall include, and the Board may consider, the following information in determining the school's eligibility for certification:

103.2.1.1 Name, phone number, and address of the school, school director and all owners of the school.

103.2.1.2 Attestation to upstanding moral character by individuals who are school directors or owners of the school, and whether any individual:

- (a) has had a license or certification to practice in the appraisal profession, or any other profession or occupation, denied, restricted, suspended, or revoked.
- (b) has been permitted to resign or surrender an appraiser license or certification, or has ever allowed an appraiser license or certification to expire while the individual was under investigation, or while action was pending against the individual by an appraiser licensing or any other agency.
- (c) has any action now pending by any appraiser licensing or other agency.
- (d) is currently under investigation for, or charged with, or has ever pled guilty or no contest to, or been convicted of, a misdemeanor or felony, excluding minor traffic offenses.
- (e) has ever been placed on probation in connection with any criminal offense or a licensing action.

103.2.1.3 A description of the type of school and a description of the school's physical facilities. All courses shall be taught in an appropriate classroom facility and not in any private residence, except for courses approved for specific home-study purposes;

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103.2.1.4 A copy of the statement which shall be provided for each student outlining the days, times and locations of classes; the number of quizzes and examinations; the grading system, including methods of testing and standards of grading; the requirements for attendance; and the school's refund policy.

103.2.2 A public school may schedule its courses within the criteria of its regular schedule, for example, quarter, semester, or similar schedule. A quarter hour of college credit is the equivalent of 10 classroom hours, and a semester hour of college credit is the equivalent of 15 classroom hours.

103.2.3 Upon approval by the Board, a school will be issued certification. All certifications expire January 1. Conditions of certification include the following:

- (a) A school shall teach the approved course of study as outlined in the State Approved Course Outline;
- (b) A school shall require each student to attend the required number of hours and pass a final examination;
- (c) A school shall maintain a record of each student's attendance for a minimum of five years after his enrollment;
- (d) A school shall not make any misrepresentation in its advertising about any course of instruction, and shall be able to provide substantiation of any claims made. All advertising and public notices shall be free of statements or implications which do not enhance the dignity and integrity of the appraisal profession. A school shall refrain from disparaging a competitor's services or methods of operation;
- (e) Within 15 calendar days after the occurrence of any material change in the school which could affect its approval, including the events listed in R162-103.2.1.2, the school shall give the Division written notice of that change; and
- (f) A school will not attempt by any means to obtain or use the questions on the state licensure or certification exam unless those questions have been dropped from the current exam bank.
- (g) A school shall provide to all students at the time of registration a copy of the qualifying questionnaire the student will be required by the Division to answer as part of the precertification examination.

### **R162-103-3. [Precertification] Course Certification.**

103.3.1 Each school requesting approval of a course designed to meet the education requirements of [registration]licensure or certification shall make application for approval on a form prescribed by the Division and shall pay the applicable fee. The application shall include, and the Board may consider, the following information in determining eligibility for approval:

- (a) A course outline including a description of the course, the length of time to be spent on each subject area broken into segments of no more than 30 minutes each, and three to five learning objectives for every three hours;

(b) Indication of any method of instruction other than lecture method including: a slide presentation, cassette, video tape, movie, home study, or other.

(c) A copy of the final examination of the course, if one is administered, and the answer key which is used to determine if the student has passed the course;

(d) An explanation of what the school procedure is if the student fails the final examination;

(e) A list of the titles, authors and publishers of all required textbooks;

(f) A list of the instructors and evidence of their certification by the Division, and a list of any guest lecturers to be used and evidence of their qualifications as an instructor for a specific course; and

(g) Days, times, and location of classes.

103.3.2 Upon approval by the Board, a course will be issued certification. All certifications expire January 1.

103.3.3 Each course of study will meet the minimum standards set forth in the State Approved Course Outline provided for each approved course. The school may alter the sequence of presentation of the required topics. Specific nonappraisal courses being used to satisfy the educational requirements shall have prior approval as to their applicability.

103.3.4 All courses of study will meet the minimum hourly requirement of that course. A credit hour is defined as 50 minutes of supervised contact by a certified instructor within a 60-minute time period. A 10-minute break will be given for each 50 minutes in class. Registration or certification credit will be limited to a maximum of eight credit hours per day. The limitation applies only to the credit a student may receive and is not intended to limit the number of classroom hours offered.

103.3.5 A public school or institution may use any faculty member to teach an approved course provided the individual demonstrates to the satisfaction of the Division and the Board academic training or appraisal experience qualifying him to teach the course.

~~[103.3.6 Methods of instruction other than lecture method, including a slide presentation, cassette, videotape, movie, or other method, may be used, providing that absent special approval from the Division:~~

~~103.3.6.1 These methods of instruction will be limited to a total of 50% of the class time;~~

~~103.3.6.2 These methods of instruction will have an accompanying workbook for the student to complete during the viewing time;~~

~~103.3.6.3 These methods of instruction will have a certified instructor available to answer questions after the presentation.]~~

103.3.[7]6 Distance [learning]education is defined as any educational process based on the geographical separation of



[~~provider~~]instructor and student (e.g., CD ROM, On-line learning, correspondence courses, video conferencing, etc.). Distance [~~learning~~]education courses must provide interaction between the learner and instructor and must include testing. A distance [~~learning~~]education course may be acceptable to meet the classroom hour requirement or its equivalent providing each course meets the following conditions:

103.3.[7]6.1 The course (a) has been presented by an accredited college or university which offers [~~correspondence and distance learning~~]distance education programs in other disciplines[;] and where [~~A~~]accreditation [~~shall be~~]has been made by the Commission on Colleges or a regional accreditation association[;]; or (b) has received approval for college credit by the American Council on Education's Program on Non-collegiate Sponsored Instruction, also known as PONSI; or (c) has been approved under the AQB Course Approval Program.

(a) The learner must successfully complete a written examination personally [~~administered~~]proctored by an official approved by the college or university[;]or by the presenting entity; and

(b) The course must meet[s] the requirements established by the [~~Appraiser Qualifications Board~~]AQB and [~~is~~]be equivalent to the minimum of 15 classroom hours.[;or]

~~[103.3.7.2 Distance learning courses offered by other than a college or university may be acceptable to meet the classroom hour requirement providing the course has received the American Council on Education's Program on Non-collegiate Sponsored Instruction, also known as PONSI, approval for college credit.~~

~~103.3.7.3 The content and length of the course must meet the requirements established by the Appraiser Qualifications Board.~~

~~103.3.7.4 The learner must successfully complete a written examination personally administered by an official approved by the course provider.]~~

103.3.[8]7 A maximum of 10% of the required class time may be spent in testing, including review test and final examination. A student cannot challenge a course or any part of a course of study by taking an exam in lieu of attendance.

103.3.[9]8 All texts, workbooks, supplement pamphlets and any other materials shall be appropriate and current in their application to the required course outline.

103.3.[10]9 Within 15 calendar days after the occurrence of any material change in a course which could affect approval, the school shall give the Division written notice of the change.

#### **R162-103-4. Education Credit for Noncertified [~~Prelicensing~~]Courses.**

103.4.1 Education credit will be granted towards [~~registration~~]licensure or certification for an appraisal education course which has been taken and which has not been previously

certified in Utah for prelicensing education credit, and has been provided by a school which meets the criteria as outlined in 103.1.

103.4.1.1 The course content shall have met the minimum standards set forth in the Utah State Approved Course Outline.

103.4.1.2 A course must be at least 15 hours in duration, including the examination. An hour is defined as 50 minutes of supervised contact by a certified instructor within a 60-minute time period.

103.4.1.3 A final examination will be administered at the end of each course pertinent to that education offering.

103.4.2 Credit will not be granted for a course taken in which the applicant obtained credit from the course provider by challenge examination without having attended the course.

103.4.3 Credit will not be given for duplicate or highly comparable classes[ ~~taken from different course providers~~]. Each course must represent a progression in which the appraiser's knowledge is increased.

103.4.4 [~~Credit will be given for appraisal classes taken only within ten years immediately preceding the registration or certification application.~~]There is no time limit regarding when education credit must have been obtained.

103.4.[4.1]5 Hourly credit for a course taken from a professional appraisal organization will be granted based upon the Division approved list which verifies hours for these courses.

103.4.6 Credit will only be granted for a course that has been successfully completed. Successful completion of a course means that the applicant has attended a minimum of 90% of the scheduled class hours, has completed all required exercises and assignments, and has achieved a passing score on a course final examination. The final examination shall not be an open book examination.

103.4.7 Submission for Education Approval.

103.4.7.1 Courses that have not been previously certified for prelicensing credit will be reviewed by the Education Review Committee. It is the responsibility of the applicant to establish that a particular education offering will qualify to meet the education requirement for registration or certification.

103.4.7.2 The applicant shall submit on a form provided by the Division a list of the courses that documents the course title, the name of the sponsoring organization, the number of classroom hours, and the date the course was completed.

103.4.7.3 The applicant will attest on a notarized affidavit that the courses have been completed as documented.

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103.4.7.4 The applicant will support the claim for education credit if requested by the Division by providing proof of completion of the courses in the form of certificates, transcripts, report cards, letters of verification, or similar proof.

103.4.7.5 Applicants having appraisal education in categories other than those in the State Approved Course Outline may petition the Board on an individual basis for evaluation and approval of their education as being substantially equivalent to that required for registration or certification.

### **R162-103-5. [Prelicense] Instructor Application for Certification.**

103.5.1 Each instructor requesting approval to be certified as an instructor to teach the education requirements of appraisal [registration] licensure or certification shall make application for approval on a form prescribed by the Division and shall submit the applicable fees. The application shall include, and the Board may consider, the following information in determining the instructor's eligibility for approval:

103.5.1.1 Attestation to upstanding moral character, including whether the individual:

- (a) has had a license or certification to practice in the appraisal profession, or any other profession or occupation, denied, restricted, suspended, or revoked.
- (b) has been permitted to resign or surrender an appraiser license or certification, or has ever allowed an appraiser license or certification to expire while the individual was under investigation, or while action was pending against the individual by an appraiser licensing or any other agency.
- (c) has any action now pending by any appraiser licensing or other agency.
- (d) is currently under investigation for, or charged with, or has ever pled guilty or no contest to, or been convicted of, a misdemeanor or felony, excluding minor traffic offenses.
- (e) has ever been placed on probation in connection with any criminal offense or a licensing action.

103.5.2 The instructor will demonstrate evidence of knowledge of the subject matter by the following:

103.5.2.1 A minimum of five years active experience in appraising, or

103.5.2.2 Evidence of having completed college or other appropriate courses specific to the topic he proposes to teach, or

103.5.2.3 Evidence of other qualifications of experience, education, or credentials which are acceptable to the Board; and

103.5.2.4 Evidence of having passed an examination designed to test knowledge of the subject matter he proposes to teach.

103.5.3 An applicant to teach the course on [~~the Uniform Standards of Professional Appraisal Practice~~]USPAP shall conform to all of the above criteria and in addition:

103.5.3.1 The applicant shall be a [registered] licensed or state-certified appraiser, and shall have seven years of experience as a full-time appraiser within the past 15 years, and

103.5.3.2 Shall be able to provide evidence of having completed a [~~Uniform Standards of Professional Appraisal Practice~~]USPAP course within the last two years, which course and accompanying exam have been approved by the [~~Utah Appraiser Registration and Certification~~] Board.

103.5.4 Upon approval by the Board, an applicant will be issued certification. All certifications expire January 1 of each even numbered year. Conditions of renewal of certification include providing proof of the following:

103.5.4.1 Must have taught at least 20 hours of in-class instruction in a certified course during the preceding two years; and

103.5.4.2 Must have attended a real estate instructor development workshop sponsored or approved by the Division during the preceding two years.

103.5.5 Within 15 calendar days after the occurrence of any of the events listed in Section 103.5.1, an applicant or instructor shall give written notice to the Division of that event.

### **R162-103-6. Education Review Committee.**

103.6 A committee may be appointed by the Board to review submissions for education credit for [registration] license or certification applicants and also to review submissions for certification of appraiser courses and instructors.

103.6.1 The Education Review Committee shall:

103.6.1.1 Review all applications for adherence to the education credit required for [registration] licensure or certification and make recommendations to the Division and the Board for approval or disapproval of the education claimed.

103.6.1.2 Review all submissions requesting certification of appraiser courses and instructors for prelicensing education purposes and make recommendations to the Division and the Board for approval or disapproval.

103.6.2 The Committee shall be composed of appraisers from the following categories: residential appraisers; commercial appraisers; farm and ranch appraisers; right-of-way appraisers; and ad valorem appraisers.

103.6.2.1 The chairperson of the committee shall be appointed by the Board.

103.6.2.2 Meetings may be called upon the request of the chairperson or upon the written request of a quorum of committee members.

103.6.3 If the review of an application has been performed by the Education Review Committee, and the Board has denied the application based on insufficient education or an inability to meet the certification of education requirements, the applicant may request that the Board review the issue again by making a request in writing to the Board within ~~ten~~ thirty days after the denial stating specific grounds upon which relief is requested. The Board shall thereafter consider the request and issue a written decision.

**R162-103-7. Continuing Education Course Certification.**

103.7 ~~[To renew an appraiser license, the appraiser will complete the equivalent of 20 classroom hours of appraisal education during the two-year term preceding renewal. After January 1, 1998,]~~ As a condition of renewal, all appraisers~~[-licensees]~~ will complete the equivalent of 28 classroom hours of appraisal education during the two-year term preceding renewal. The continuing education requirement is for the purpose of maintaining and increasing the appraiser's skill, knowledge and competency in real estate appraising.

103.7.1 Continuing education credit may be granted for courses that meet the following criteria:

- (a) the course has been obtained from any of the course providers designated in 103.1.
- (b) the course covers appraisal topics as suggested by the ~~[Appraisal Qualifications Board]~~ AQB.
- (c) the length of the educational offering is at least two classroom hours, each classroom hour is defined as 50 minutes out of each 60-minute segment, and the continuing education credit is limited to eight hours per day.
- (d) the course meets the requirements for distance learning as outlined in R162-103.3.7.

103.7.2 Real estate appraisal related field trips are acceptable for continuing education credit; however, transit time to or from the field trip location should not be included when awarding credit if instruction does not occur.

103.7.3 Prelicensing education credit awarded to individuals seeking a different classification than that held, can also be used to satisfy a continuing education requirement.

103.7.4 Alternative Continuing Education Credit - continuing education credit may be granted for participation, other than as a student, in appraisal educational processes and programs.

103.7.~~[2]~~4.1 Credit may be granted on a case by case basis for teaching, program development, authorship of textbooks, or similar activities which are determined by the Board to be equivalent to obtaining continuing education.

103.7.~~[2]~~4.2 The Education Review Committee will review claims of equivalent education and also alternative continuing education proposed to be used for continuing education purposes.

103.7.4.3 The Board may award continuing education credit to members of the Education Review Committee, the Experience Review Committee, and the Technical Advisory Panel.

**R162-103-8. Administrative Proceedings.**

The Division may deny certification or renewal of certification to any course, school or instructor that does not meet the standards required by this chapter.

**R162-104. Experience Requirement.**

**R162-104-1. Measuring Experience.**

104.1.1 Except for those applicants who qualify under Section 104.17, ~~[A]~~ appraisal experience shall be measured in points according to the Appraisal Experience Points Schedule in Section R162-104-18 of this rule and also in time accrued.

104.1.1.1 Experience for state-licensed applicants shall have been accrued in no fewer than 24 months. ~~[The equivalent of two years of experience, accrued in no fewer than 24 months from the date of registration, is required for certification. After January 1, 1998, e]~~ Experience for the certified residential applicants shall have been accrued in no fewer than 30 months from the date of registration, and experience for the certified general applicants shall have been accrued in no fewer than 36 months from the date of registration or licensure.

104.1.1.2 Applicants for the state-licensed category shall submit proof of at least 400 points of experience. Applicants ~~[shall submit proof of at least 400 points of experience on the form required by the Division. After January 1, 1998, applicants]~~ for certified residential shall submit proof of at least 500 points of experience, and applicants for certified general shall submit proof of at least 600 points of experience.

**R162-104-2. Maximum Points Per Year.**

104.2 All experience points cannot be earned in one 12-month period. For applicants for certification, A~~[a]~~ maximum of ~~[300 points will be credited for any one 12-month period. After January 1, 1998, a maximum of]~~ 375 points will be credited for any one 12-month period. For applicants for licensure, a maximum of 300 points will be credited for any one 12-month period.

**R162-104-3. Time Allowed for Meeting Experience Requirement.**

104.3 Credit will be given for appraisal experience earned only within five years immediately preceding the licensure or certification application.

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### **R162-104-4. Proof of Experience.**

104.4 The Division shall require the applicant to furnish the following information for each appraisal for which points are claimed: property address or legal description, date of the appraisal, type of property, and any other information deemed appropriate by the Division.

### **R162-104-5. Compliance with USPAP and Licensing Requirements, USPAP Limited Appraisals.**

104.5 No experience credit will be given for appraisals which were performed in violation of Utah law or the law of another jurisdiction, or the administrative rules adopted by the Division and the Board.

104.5.1 No experience credit will be given for appraisals unless the appraisals were done in compliance with USPAP.

104.5.2 No experience credit toward certification will be given for appraisals if the applicant was not registered or licensed as an appraiser in Utah, or in another state if registration or licensure was required in that state, at the time the appraisal was performed.

104.5.3 For the purposes of this rule, limited appraisals are defined as ~~estimates~~ opinions of value performed under, and resulting from, invoking the departure provision of USPAP, but do not include mass appraisals. Limited appraisals shall be granted 50% of the credit awarded an appraisal which is not a limited appraisal. from limited appraisals.

### **R162-104-[6]7 State-Licensed and State-Certified [Residential]Applicants.**

104.7.1 Except for those applicants who qualify under Section 104.17, applicants applying for licensure as State-Licensed Appraisers shall be awarded points from either the Residential Experience Points Schedule or the General Experience Points Schedule for their experience prior to licensure only if the experience claimed was gained in compliance with Section 105.3.

104.[6]7.2 Applicants applying for certification as State-Certified Residential Appraisers must document at least 75% of the points submitted from the Residential Experience Points Schedule. No more than 25% of the total points submitted may be from the General Experience Points Schedule.

### **[R162-104-7.State-Certified General Applicants:]**

104.7.3 Applicants applying for certification as State-Certified General Appraisers may claim points for experience from either the Residential Experience Points Schedule or the General Experience Points Schedule, so long as at least 50% of the total points has been earned from the General Experience Points Schedule.

### **R162-104-8. Cumulative Points.**

104.8 The cumulative points from instruction of appraisal classes and appraisal textbook and article authorship shall not exceed 50% of the cumulative points submitted.

### **R162-104-9. Review or Supervision of Appraisals.**

104.9 Review appraisals will be awarded experience credit when the appraiser has performed technical reviews of appraisals prepared by either employees, associates or others, provided the appraiser complied with Uniform Standards of Professional Appraisal Practice Standards Rule 3 when the appraiser was required to comply with the rule. The following points shall be awarded for review or supervision of appraisals:

104.9.1 Review of appraisals which does not include a physical inspection of the property and verification of the data, commonly known as a desk review, shall be worth 20% of the points awarded to the appraisal if a separate written review appraisal report is prepared. A maximum of 100 points may be earned by desk review of appraisals.

104.9.2 Review of appraisals which includes a physical inspection of the property and verification of the data, commonly known as a field review, shall be worth 50% of the points awarded to the appraisal if a separate written review appraisal report is prepared. A maximum of 100 points may be earned by field review of appraisals.

104.9.3 Supervision of appraisers shall be worth 20% of the points awarded to the appraisal. A maximum of 100 points may be earned by supervision of appraisers.

104.9.4 Not more than 50% of the total experience required for certification may be granted under Subsections R162-104-9(104.9.1) through R162-104-9(104.9.3) and R162-104-11(104.11.1) and R162-104-11(104.11.3) combined.

### **R162-104-10. Condemnation Appraisals.**

104.10 Condemnation appraisals shall be worth an additional 50% of the points normally awarded for the appraisal if the condemnation appraisal included a before and after appraisal because of a partial taking of the property.

### **R162-104-11. Preliminary Valuation Estimates, Comparative Market Analysis, Real Estate Consulting Services, and Other Real Estate Experience.**

104.11.1 Preliminary valuation estimates, range of value estimates or similar studies, and other real estate related experience gained by bankers, builders, city planners and managers, or other individuals may be granted credit for up to 50% of the experience required for certification in accordance with R162-104-17 of this rule, so long as the experience demonstrates to the Board that the applicant has the ability to arrive at a fair market value of property and to properly document value conclusions.

104.11.2 Comparative market analysis by real estate licensees may be granted up to 100% experience credit toward certification in

accordance with R162-104-17 of this rule, when the analysis is prepared in conformity with USPAP Standards Rules 1 and 2 and the individual can demonstrate to the Board that he is using similar techniques as appraisers to value properties and effectively utilize the appraisal process.

104.11.3 Appraisal analysis, real estate counseling or consulting services, and feasibility analysis/study will be awarded experience credit in accordance with R162-104-17 of this rule for up to 50% of the experience required toward certification so long as the services were performed in accordance with USPAP Standards Rules 4 and 5.

104.11.4 Not more than 50% of the total experience required for certification may be granted under Subsections R162-104-11(104.11.1) and R162-104-11(104.11.3) and R162-104-9(104.9.1) through R162-104-9(104.9.3) combined.

#### **R162-104-12. Ad Valorem Appraisal and Benchmark Appraisal.**

104.12 Ad valorem appraisal and benchmark appraisal by property type will earn the same number of points as fee appraisal where the individual can demonstrate that he performed highest and best use analysis, developed the model in model specification, or developed adjustments to the model in model calibration, and where the individual can demonstrate the appraisal was performed in accordance with Standards Rule 6 of the Uniform Standards of Professional Appraisal Practice.

#### **R162-104-13. Experience Participation.**

104.13 An applicant for certification must be able to prove more than 50% participation in the data collection, verification of data, reconciliation, analysis, identification of property and property interests, compliance with USPAP standards and all Advisory Opinions of USPAP, and preparation and development of the appraisal report in order to count the appraisal for experience credit. Experience credit will be granted to only one registered or licensed appraiser per completed appraisal even though more than one may have participated in the development of the appraisal.

#### **R162-104-14. Unacceptable Experience.**

104.14 An applicant will not receive points toward satisfying the experience requirement for [registration] licensure or certification for performing the following:

- (a) Appraisals of the value of a business as distinguished from the appraisal of commercial real estate; or
- (b) Personal property appraisals.

#### **R162-104-15. Verification of Experience.**

104.15 The Board, at its discretion, may verify the claimed experience by any of the following methods: verification with the clients; submission of selected reports to the Board; and field inspection of reports identified by the applicant at the applicant's office during normal business hours.

#### **R162-104-16. Experience Review Committee.**

104.16 There may be a committee appointed by the Board to review

the experience claimed by applicants for licensure or certification.

104.16.1 The Committee shall:

104.16.1.1 Review all applications for adherence to the experience required for licensure or certification;

104.16.1.2 Correspond with applicants concerning submissions, if necessary; and

104.16.1.3 Make recommendations to the Division and the Board for licensure or certification approval or disapproval.

104.16.2 Committee composition. The Committee shall be composed of appraisers from the following categories: residential appraisers; commercial appraisers; farm and ranch appraisers; right-of-way appraisers; and ad valorem appraisers.

104.16.2.1 The chairperson of the committee shall be appointed by the Board.

104.16.2.2 Meetings may be called upon the request of the chairperson or upon the written request of a quorum of committee members.

104.16.3 New Review. If the review of an application has been performed by the Experience Review Committee, and the Board has denied the application based on insufficient experience, the applicant may request that the Board review the issue again by making a written request within [ten]thirty days after the denial stating specific grounds upon which relief is requested. The Board shall thereafter consider the request and issue a written decision.

#### **R162-104-17. Special Circumstances.**

104.17 Applicants having experience in categories other than those shown on the Appraisal Experience Points Schedule, or applicants who believe the Experience Points Schedule does not adequately reflect their experience, or applicants who believe the Experience Points Schedule does not adequately reflect the complexity or time spent on an appraisal, may petition the Board on an individual basis for evaluation and approval of their experience as being substantially equivalent to that required for licensure or certification. Upon a finding that an applicant's experience is substantially equivalent to that required for licensure or certification, the Board may waive experience points, give an applicant credit for months of experience, or both.

104.17.1 Fulltime elected county assessors and any person performing an appraisal for the purposes of establishing the fair market value of real estate for the assessment roll may, as an alternative to using the Appraisal Experience Points Schedule, be awarded 200 points for every 12 months of service, provided that they have experience in at least three of the following categories

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and no more than one-third of their experience comes from any one of the following categories:

104.17.1.1 Property description/identification;

104.17.1.2 Highest and best use analysis;

104.17.1.3 Land value estimates;

104.17.1.4 Cost approach;

104.17.1.5 Sales comparison;

104.17.1.6 Income capitalization approach.

104.17.2 Fulltime elected county assessors and any person performing an appraisal for the purposes of establishing the fair market value of real estate for the assessment roll are not subject to the limitations in Section 105.3.

104.17.3 Fulltime investigators with the Division who perform appraisal investigations may be awarded 200 points for every 18 months of service. They are not subject to the limitations in Section 105.3.

### **R162-104-18. Appraisal Experience Points Schedule.**

104.18 Points shall be awarded as follows:

104.18.1 Residential Experience Points Schedule. The following points shall be awarded to form appraisals. Three points may be added to the points shown if the appraisal was a narrative appraisal instead of a form appraisal.

TABLE 1

|   |  |
|---|--|
| (a) One unit dwelling, including a site   | 1 point  |
| (b) Multiple one-unit dwellings in the same subdivision or condominium project which are substantially similar 1-25 dwellings | 1 point per dwelling up to a maximum of 6 points |
| Over 25 dwellings   | A total of 10 points                             |
| (c) Two- to four-unit dwelling  | 4 points   |
| (d) Employee Relocation Counsel reports completed on currently accepted Employee Relocation Counsel form                      | 2 points   |
| (e) Residential lot, 1-4 family   | 1 point  |
| (f) Multiple lots in the same subdivision   |  |

which are substantially similar 1-25 lots

1 point per lot up to a maximum of 6 points  
A total of 10 points  
1 point  
4 points

Over 25 lots

(g) Small parcel up to 5 acres

(h) Vacant land, 20-500 acres

A maximum 50 points may be awarded for appraisal of vacant land.

(i) Recreational, farm, or timber acreage suitable for a house site, up to 10 acres

2 points  
3 points

Over 10 acres

(j) All other unusual structures or acreages, which are much larger or more complex than typical properties

1-5 points as determined by the Board

(k) Residential appraisal textbook authorship, not to exceed 20 points per year

As determined by the Board

(l) Residential appraisal articles in journals of approved national appraisal organizations, not to exceed 20 points per year

10 points

(m) Instructing an approved residential course of 20 classroom hours or more

10 points

104.18.2 General Experience Points Schedule. All appraisal reports claimed must be narrative appraisal reports.

TABLE 2

|   |           |
|---|-----------|
| (a) Apartments, 5-100 units                                     | 8 points  |
| over 100 units  | 10 points |
| (b) Hotel or motels, 50 units or less                           | 6 points  |
| 51-150 units  | 8 points  |
| Over 150 units  | 10 points |
| (c) Nursing home, rest home, care facilities,                   |           |
| Fewer than 80 beds  | 8 points  |
| Over 80 beds  | 10 points |
| (d) Industrial or warehouse building,                           |           |
| Fewer than 20,000 square feet                                   | 6 points  |
| Over 20,000 square feet, single tenant                          | 8 points  |
| Over 20,000 square feet, multiple tenants                       | 10 points |
| (e) Office buildings  |           |
| Fewer than 10,000 square feet                                   | 6 points  |
| Over 10,000 square feet, single tenant                          | 8 points  |
| Over 10,000 square feet, multiple tenants                       | 10 points |
| (f) Entire condominium projects, using income approach to value |           |
| 5- to 30-unit project   | 6 points  |
| 31- or more-unit project  | 10 points |
| (g) Retail buildings  |           |
| Fewer than 10,000 square feet                                   | 6 points  |
| More than 10,000 square feet, single tenant                     | 8 points  |
| More than 10,000 square feet, multiple tenants                  | 10 points |

|   |          |  |         |         |
|---|----------|--|---------|---------|
| (h) Commercial or multiple family use acreage which is nonresidential   |          | (u) Dry farm, 1 to 1000 acres  | 3 pts.  | 5 pts.  |
| Fewer than 10 acres   |          | More than 1000 acres   | 4 pts.  | 8 pts.  |
| 100 acres or more   |          | (v) Improvements on properties other than a rural residence, maximum 2 points:   |         |         |
| 100 acres or more, income approach to value   |          | Dwelling   | 1 pt.   | 1 pt.   |
| (i) All other unusual structures or assignments which are much larger or more complex than the properties described in (a) to (h) herein. |          | Sheds  | 0.5 pt. | 0.5 pt. |
|   |          | (w) Cattle ranches   |         |         |
|   |          | 0-200 head   | 3 pts.  | 4 pts.  |
|   |          | 201-500 head   | 5 pts.  | 6 pts.  |
|   |          | 501-1000 head  | 6 pts.  | 8 pts.  |
|   |          | More than 1000 head  | 8 pts.  | 10 pts. |
| (j) Instructing an approved general appraisal course of 20 classroom hours or more, not to exceed 20 points per year                      |          | (x) Sheep ranches 0-2000 head  | 5 pts.  | 6 pts.  |
| (k) Textbook authorship in general appraisal topics, not to exceed 20 points  |          | More than 2000 heads   | 7 pts.  | 9 pts.  |
|   |          | (y) Dairies, includes all improvements except a dwelling   |         |         |
|   |          | 1-100 head   | 4 pts.  | 5 pts.  |
|   |          | 101-300 head   | 5 pts.  | 6 pts.  |
|   |          | More than 300 head   | 6 pts.  | 7 pts.  |
| (l) General field journal articles in journals of approved national appraisal organizations, not to exceed 20 points per year             |          | (z) Orchards   |         |         |
| (m) Entire subdivisions or Planned Unit Developments (PUDs)   |          | 5-50 acres   | 6 pts.  | 8 pts.  |
| 1- to 25-unit subdivision or PUD  |          | More than 50 acres   | 8 pts.  | 10 pts. |
| Over 25-unit subdivision or PUD   |          | (aa) Rangeland/timber  |         |         |
| (n) Feasibility or market analysis, maximum 100 points  |          | 0-640 acres  | 4 pts.  | 5 pts.  |
|   |          | More than 640 acres  | 6 pts.  | 7 pts.  |
|   |          | (bb) Poultry   |         |         |
|   |          | 0-100,000 birds  | 6 pts.  | 8 pts.  |
|   |          | More than 100,000 birds  | 8 pts.  | 10 pts. |
|   |          | (cc) Mink  |         |         |
|   |          | 0-5000 cages   | 6 pts.  | 7 pts.  |
|   |          | More than 5000 cages   | 8 pts.  | 10 pts. |
|   |          | (dd) Fish farms  | 8 pts.  | 10 pts. |
|   |          | (ee) Hog farms   | 8 pts.  | 10 pts. |
|   |          | (ff) Separate grazing privileges or permits  | 4 pts.  | 5 pts.  |
| Ad Valorem appraisals   |          | 104.18.2.1 Appraisals on commercial or multifamily form reports shall be worth 75% of the points normally awarded for the appraisal.   |         |         |
| (o) Development and implementation of multiple regression model - land valuation guide, up to 5000 parcels                                |          | <b>R162-105. Scope of Authority.</b>   |         |         |
| For each additional 5000 parcels, add 1 point   |          | 105.1 Transaction value. "Transaction value" means:  |         |         |
| (p) Depreciation study and analysis   |          | 105.1.1 For loans or other extensions of credit, the amount of the loan or extension of credit;  |         |         |
| (q) Sales ratio study and implementation - physical inspection and review, maximum 50 points  |          | 105.1.2 For sales, leases, purchases, and investments in or exchanges of real property, the market value of the real property interest involved; and   |         |         |
| (r) Development of standards of practice for assessment administration and writing of those guidelines, maximum 40 points                 |          | 105.1.3 For the pooling of loans or interests in real property for resale or purchase, the amount of the loan or market value of the real property calculated with respect to each such loan or interest in real property. |         |         |
| (s) State-assessed property - gravel pits, mines, utilities   |          |  |         |         |
| Farm and Ranch appraisals   |          |  |         |         |
|   | Form     | Narrative  |         |         |
| (t) Irrigated cropland, pasture other than rangeland, 1 to 10 acres   | 2 pts.   | 3 pts.   |         |         |
| 11-50 acres   | 2.5 pts. | 4 pts.   |         |         |
| 51-200 acres  | 3 pts.   | 5 pts.   |         |         |
| 201-1000 acres  | 5 pts.   | 8 pts.   |         |         |
| More than 1000 acres  | 8 pts.   | 10 pts.  |         |         |

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**105.2 State-Licensed Appraisers.** In federally-related transactions, the Utah Real Estate Appraiser Licensing Act and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 and related federal regulations allow State-Licensed Appraisers to perform the appraisal of non-complex one to four residential units having a transaction value of less than \$250,000.

**105.2.1** Subject to the transaction value limits in Section 105.2, State-Licensed Appraisers may also perform appraisals in federally-related transactions of vacant or unimproved land that is utilized for one to four family purposes, or for which the highest and best use is 1-4 family purposes, so long as net income capitalization analysis is not required by the terms of the assignment.

**105.2.2** State-Licensed Appraisers may not perform appraisals of subdivisions in federally-related transactions for which a development analysis/appraisal is necessary or for which discounted cash flow analysis is required by the terms of the assignment.

**105.3** Unclassified individuals.

**105.3.1** Unclassified individuals who have not yet accumulated 100 experience points and successfully completed the education required for licensure may perform the following duties under the direct supervision of a state-licensed or state-certified appraiser: typing an appraiser's research notes; typing an appraisal report; accompanying an appraiser on an inspection visit to a property; assisting an appraiser in measuring a property; taking photographs of specific properties selected by the appraiser; performing routine calculations; and obtaining copies of assessment records, deeds, maps, and data from real property data bases relating to properties selected by the appraiser.

**105.3.1.1** Unclassified individuals who have not yet accumulated 100 experience points and successfully completed the education required for licensure may not participate in: selecting comparables for an appraisal assignment; making adjustments to comparables; drafting an appraisal report; and, except when working in the presence of a state-licensed or state-certified appraiser, inspecting a property that is the subject of an appraisal or that may be used as a comparable in an appraisal, or measuring a property.

**105.3.2** Unclassified individuals who have accumulated 100 experience points and successfully completed at least 30 hours of the education required for licensure may act in the capacity of an appraisal "trainee" under the direct supervision of a state-licensed or state-certified appraiser. A "trainee" is permitted to have more than one supervising appraiser.

**105.3.2.1** An appraiser "trainee" may, under the direct supervision

of a state-licensed or state-certified appraiser, participate in selecting comparables for an appraisal assignment, participate in making adjustments to comparables, draft appraisal reports, and when working in the presence of a state-licensed or state-certified appraiser, inspect a property that is the subject of an appraisal or that may be used as a comparable in an appraisal, and measure a property.

**105.3.3** All unclassified individuals are prohibited from signing an appraisal report or discussing an appraisal assignment with anyone other than the appraiser responsible for the assignment, state enforcement agencies and such third parties as may be authorized by due process of law, or a duly authorized professional peer review committee.

**105.3.4** A classified appraiser who supervises an unclassified individual shall be responsible for the training and direct supervision of the unclassified individual and shall require the unclassified appraiser to maintain a log in form satisfactory to the Board which shall contain, at minimum, the following information for each appraisal:

**105.3.4.1** Type of property;

**105.3.4.2** Client name and address;

**105.3.4.3** Address of appraised property;

**105.3.4.4** Description of work performed;

**105.3.4.5** Number of work hours;

**105.3.4.6** Signature and state license/certification number of the supervising appraiser.

**105.3.4.7** The unclassified individual shall maintain a separate appraisal log for each supervising appraiser.

### **R162-106. Professional Conduct.**

#### **R162-106-1. Uniform Standards.**

**106.1.** As required by the Appraisal Foundation in accordance with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), all licensees must comply with the edition of the Uniform Standards of Professional Appraisal Practice (USPAP) currently approved by the Board. Information on which version of USPAP is currently approved by the Board may be obtained from the division. All [~~Utah appraiser licensees~~]persons registered, licensed or certified under this chapter must also observe the Advisory Opinions of USPAP. Copies of USPAP may be obtained from the Appraisal Foundation, 1029 Vermont Avenue N.W., Suite 900, Washington, D.C. 20005. [~~Licensees or candidates for licensure~~]Registered, licensed and certified appraisers and candidates for registration, licensure or certification may obtain copies from the division.



**R162-106-2. Use of Terms.**

106.2. The terms “State-Certified Residential Appraiser,” “State-Certified General Appraiser,” [~~“Senior Appraiser,”~~] “State-Licensed Appraiser” and “State-Registered Appraiser” shall not be abbreviated or reduced to a letter or group of letters. If these terms are used on letterhead or in advertising, the appraiser’s certificate number, license number or registration number must follow his name.

**R162-106-3. Signatures, Size and Use of Seal.****106.3.1. State-Certified Appraiser’s Seal.**

106.3.1.1. When signing a certified appraisal report, State-Certified General Appraisers and State-Certified Residential Appraisers shall place on at least the certification page of the appraisal report, immediately below the appraiser’s signature, the seal required by Section 61-2b-17(3)(e).

106.3.1.2. The seal to be affixed on reports prepared by state-certified appraisers shall contain the words “Utah State-Certified Residential Appraiser” or “Utah State-Certified General Appraiser” along with the appraiser’s certificate number and expiration date. The zeros preceding the certificate number may be deleted. The size of the seal, rectangular in shape, shall be no larger than two and seven-eighths inches long and five-eighths of an inch high including the border. An example of the seal shall be made available on request at the Division offices.

106.3.1.3. The seal may be reproduced as a stamp with ink that can be copied, or may be inserted by computer in an appraisal report at the appropriate place.

106.3.2. State-Registered and State-Licensed Appraisers. [~~A s~~] State-registered appraisers and State-Licensed appraisers may not place a seal on an appraisal report or use a seal in any other manner likely to create the impression that the appraiser is a state-certified appraiser.

106.3.2.1. If a State-Registered Appraiser or a State-Licensed Appraiser prepares an appraisal report which exceeds the dollar amount permitted under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, and related federal regulations, the appraiser shall include after the appraiser’s signature the words, “This appraisal does not qualify for federally related transactions.”

106.3.2.1.1. This requirement does not apply if the State-Registered Appraiser or State-Licensed Appraiser has prepared the report under the direct supervision of a state-certified appraiser and the state-certified appraiser has signed the appraisal report taking responsibility for the report.

~~[106.3.3. Senior Appraisers. A Senior Appraiser is not required to place a seal on an appraisal report. If a Senior Appraiser places a seal on an appraisal report, the seal shall include the words, “This~~

~~appraisal does not qualify for federally related transactions.” A Senior Appraiser may not use a seal in any misleading manner or in any manner likely to create the impression that the appraiser is a state-certified appraiser.]~~

**106.3.[2]3. Signatures.**

106.3.[2]3.1. Signature stamps. Appraisers may not affix their signatures to appraisal reports by means of a signature stamp.

106.3.[2]3.2. Digital signatures. A digital signature may be used in place of a handwritten signature only if: a) the software program which generates the digital signature has a security feature; and b) the appraiser ensures that his signature is protected and that no one other than the appraiser has control of that signature.

**R162-106-4. Testimony by an Appraiser.**

106.4. Testimony. An appraiser who testifies as to an appraisal opinion in a deposition or an affidavit, or before any court, public body, or hearing officer, shall prepare a written appraisal report or a file memorandum prior to giving such testimony.

106.4.1. File memoranda. For the purpose of this rule, a file memorandum shall include work sheets, data sheets, the reasoning and conclusions upon which the testimony is based, and other sufficient information to demonstrate substantial compliance with USPAP Standards Rule 2-2, or in the case of mass appraisal, Standards Rule 6-7.

**R162-106-5. Failure to Respond to Investigation.**

106.5. When the Division notifies an [~~licensee~~] appraiser or registered expert witness of a complaint, the [~~licensee~~] notified individual must respond to the complaint in writing within ten business days of the notice from the Division. Failure to respond within the required time period to a notice of complaint, a subpoena, or any written request for information from the Division shall be considered a violation of these rules and separate grounds for disciplinary action against the [~~licensee~~] appraiser or registered expert witness.

**R162-107. Unprofessional Conduct.****R162-107-1. Unprofessional Conduct.**

107.1 Unprofessional conduct includes the following specific acts or omissions:

- (a) Violating or disregarding a disciplinary order of the Utah Appraiser Registration and Certification Board or the division; and
- (b) Signing an appraisal report containing a statement indicating that an appraiser has inspected a property if the appraiser has not inspected the property.

## Proposed Rules

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107.2 The Board may appoint members of the appraisal industry to serve as a Technical Advisory Panel to provide advice to the Division concerning technical appraisal issues and conduct constituting unprofessional conduct.

### **R162-109. Administrative Proceedings.**

#### **R162-109-1. Formal Adjudicative Proceedings.**

109.1. Any adjudicative proceeding as to the following matters shall be conducted on a formal basis:

109.1.1. the revocation, suspension, or placing on probation of an appraiser registration, license, certification, or temporary permit;

109.1.2. the revocation, suspension, or placing on probation of certification of appraisal courses, schools, or instructors;

109.1.3. the imposition of a fine or a remedial education requirement against ~~[a registrant, certificate holder, or]~~ the holder of a registration, license, certificate or temporary permit;

109.1.4 the imposition of a fine or a remedial education requirement against a certified appraisal school or instructor;

109.1.5. any proceedings conducted subsequent to the issuance of a cease and desist order or other emergency order.

#### **R162-109-2. Informal Adjudicative Proceedings.**

109.2.1. All adjudicative proceedings as to any other matters not specifically designated as formal adjudicative proceedings shall be conducted as informal adjudicative proceedings.

109.2.2. A hearing will be held in an informal adjudicative proceeding only if required or permitted by the Appraiser ~~[Registration]~~ Licensing and Certification Act or these rules.

109.2.3. A party is not required to file a written answer to a notice of agency action from the Division in an informal adjudicative proceeding.

109.2.4. All proceedings on original applications for licensure or certification or renewal applications for registration, licensure or certification as an appraiser, or for certification of appraisal courses, schools, or instructors, and all proceedings on applications for a temporary permit or registration as an expert witness will be conducted as informal adjudicative proceedings.

109.2.5. All application forms which shall be filled out and submitted to the Division for registration, licensure or certification as an appraiser, or for certification of courses, schools, or instructors, and all applications for a temporary permit shall be

deemed a request for agency action pursuant to the Utah Administrative Procedures Act, Section 64-46b-1, et seq.

109.2.5.1. Upon receipt of an application, the Division shall:

(a) issue and mail a registration, license, certification, or temporary permit, which shall be deemed notification that the application is granted;

(b) notify the applicant that the application is incomplete and that further information is needed;

(c) notify the applicant that a hearing shall be scheduled before the Utah Appraiser ~~[Registration]~~ Licensing and Certification Board for the purpose of determining the applicant's fitness for registration, licensure, or certification; or

(d) notify the applicant that the application is denied, and, if the proceeding is one in which a hearing is permitted, that he may request a hearing to challenge the denial.

#### **109.2.6. Other Requests for Agency Action**

109.2.6.1. All other requests for agency action shall be in writing and signed by the requestor, and shall contain the following:

(a) the names and addresses of all persons to whom a copy of the request for agency action is being sent;

(b) the agency's file number or other reference number, if known;

(c) the date of mailing of the request for agency action;

(d) a statement of the legal authority and jurisdiction under which the agency action is requested, if known;

(e) a statement of the relief or action sought from the Division; and

(f) a statement of the facts and reasons forming the basis for relief or agency action.

109.2.6.2. Upon receipt of a request for agency action other than an application for registration, licensure or certification, the Division shall:

(a) notify the requestor in writing that the request is granted;

(b) notify the requestor that the request is incomplete and that further information is needed before the Division is able to make a determination on the request;

(c) notify the requestor that the Division does not have the legal authority or jurisdiction to grant the relief requested or the action sought; or

(d) notify the requestor that the request is denied, and, if the proceeding is one in which a hearing is permitted, that he may request a hearing to challenge the denial.

109.2.6.3. A complaint against ~~[a registrant, certificate holder,]~~ an appraiser, a registered expert witness, or the holder of a temporary permit requesting that the Division commence an investigation or a disciplinary action is not a request for agency action.

#### **R162-109-3. Hearings Not Required.**

109.3. A hearing is not required and will not be held in the following informal adjudicative proceedings:

109.3.1. The issuance, renewal or [reissuance]reinstatement of an appraiser registration, license or certification;

109.3.2. The issuance or [reissuance]renewal of an appraisal course, school, or instructor certification;

109.3.3. The issuance of any interpretation of statute, rule or order, or the issuance of any written opinion or declaratory order determining the applicability of a statute, rule or order, when enforcement or implementation of the statute, rule or order lies within the jurisdiction of the Division; or

109.3.4. The denial of [reissuance]renewal or reinstatement of an appraiser registration, license or certification for failure to complete any continuing education required by Section 61-2b-40.

#### **R162-109-4. Hearings Permitted.**

109.4.1. In the following informal adjudicative proceedings, a hearing will be held only if requested in writing by a party within 30 days from the date a notice of agency action or the Division's response to a request for agency action is mailed:

109.4.1.1. The denial of an application for certification as an instructor on the grounds that his attestation to upstanding moral character is false;

109.4.1.2. The denial of an application for an initial appraiser [registration]license or certification due to insufficient education or experience, as determined by the appropriate review committee appointed by the Appraiser [Registration]Licensing and Certification Board; or

109.4.1.3 The denial of an application for a temporary permit.

109.4.2. A request by a party for a hearing shall include the grounds upon which relief is requested.

109.4.3. All hearings permitted by this rule will be before the Utah Appraiser [Registration]Licensing and Certification Board.

#### **R162-109-5. Procedures for Hearings in Informal Adjudicative Proceedings.**

109.5.1. Notice of hearing. Upon the scheduling of a license application hearing by the Division or upon receipt of a timely request for a hearing where other hearings are permitted, the Division shall mail written notice of the date, time, and place scheduled for the hearing at least ten days prior to the hearing.

109.5.2. Discovery is prohibited, but the Division may issue subpoenas or other orders to compel production of necessary evidence. All parties shall have access to the Division's files and to all materials and information gathered in any investigation to the extent permitted by law.

109.5.3. Intervention is prohibited.

109.5.4. Hearings shall be open to all parties, except that a hearing on an applicant's fitness for registration, licensure or certification shall be conducted in a closed session which is not open to the public. The parties named in the Notice of Agency Action or the Request for Agency Action may be represented by counsel and shall have the opportunity to testify, present witnesses and other evidence, and comment on the issues.

109.5.5. Within a reasonable time after the hearing, the presiding officer shall cause to be issued and mailed to the parties a signed order in writing based on the facts appearing in the agency's files and on the facts presented in evidence at the hearing. The order shall state the decision and the reasons therefor and a notice of the right of administrative review [or]and judicial review available to the parties including applicable time limits.

109.5.6. The Division may, but shall not be required to, record the hearing. If a record has been made, any party, at his own expense, may have a reporter approved by the Division prepare a transcript from the Division's record of the proceedings.



## Comp Searches

by Kevin B. Ethington, IFA

It has become a much too common practice for lenders and mortgage brokers to request that their professional appraiser complete a preliminary "comp search" on a specific property to establish a market value range before ordering the complete appraisal report. The appraiser is expected to pull comparable sales from the Multiple Listing Service and call back the lender with a value range.

Many of our appraisers find this to be a seemingly harmless practice and a normal course of business in order to keep their client happy. But by rendering this value range on a property, especially one that the appraiser may not have seen, an oral appraisal has just been made without following the ten necessary investigation steps in Standard 1 of USPAP to insure that "appraisal services were not rendered in a careless or negligent manner" (Standard Rule 1-1c).

Lenders and mortgage brokers are taking advantage of this value information supplied by the appraiser and making preliminary loan decisions with their borrowers, and the borrowers in many cases are unaware that an oral appraisal had been made on their property. And, if they are turned down for a loan because of your free preliminary opinion of

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## Comp Searches

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the property's value, who do you think will be held accountable? Certainly not the mortgage brokers, because they aren't held responsible to any government licensing agency. The borrower would be complaining about you, the licensed professional appraiser. And, by simply trying to keep your lender happy, you have placed your license in jeopardy and may face possible litigation by the borrower. Is it worth it?

Some lenders fax one-page requests for the appraiser to pull sales and write down the value range on the fax and send it back to the lender. These lenders are then using your signed statement of value range to make loans with certain lenders. So, now you have completed a written report, violated Standard 1 and 2 of USPAP, and a long term lender has your signature in a permanent loan file for future reference.

We are supposed to be "professionals." The Uniform Standards of Professional Appraisal Practice has given us minimum guidelines for ethical practice in our state. If any lender or mortgage broker requests a "comp search" on a piece of real estate, simply inform them about the pitfalls you face by rendering an oral report without the proper investigation. If needed, complete a restricted assignment, but be sure to include the 10 investigation steps in your letter back to the client, complete with listed departures. And, be sure to receive adequate compensation for the work you complete. By maintaining these minimum appraisal standards, all of us benefit by the public realizing that we are truly professionals and that we can be trusted.



## Disciplinary Sanctions

PARK, BLAINE L., State-Certified Residential Appraiser, Salt Lake City. After a formal hearing, Mr. Park was fined \$500.00 and ordered to complete 30-40 hours of remedial education, based on an appraisal he completed while he was a registered appraiser under the supervision of Richard T. Perkins. Mr. Park violated USPAP Standards Rule 1-1(b) by making unnecessary and excessive adjustments to comparables and by using a dissimilar comparable. He violated USPAP Standards Rule 1-1(c) by negligently failing to locate and utilize other properties whose characteristics were more similar to that of the subject property. He also violated USPAP Standards Rule 1-4 when he improperly used an extraction method to calculate a lot value for the subject property. #AP95-05-20.

PERKINS, RICHARD T., State-Certified General Appraiser, Salt Lake City. After a formal hearing, Mr. Perkins was fined \$500.00 and ordered to complete 30-40 hours of remedial education, based on violating USPAP Standards Rule 1-1(b) by making unnecessary and excessive adjustments to comparables and by using a dissimilar comparable. He violated USPAP Standards Rule 1-1(c) by negligently failing to locate

and utilize other properties whose characteristics were more similar to that of the subject property. He also violated USPAP Standards Rule 1-4 when he concurred in the improper use of an extraction method to calculate a lot value for the subject property. #AP95-05-21

### APPRAISERS

We invite you to submit articles for consideration for publication in this newsletter. Articles should address issues of interest to the appraisal industry.

We will review the information submitted and, if appropriate, publish the article in a future edition of the *Appraiser Review*. All articles are subject to editing for length and content. Submitted articles cannot be returned. Please submit your articles to:

Karen Post  
Utah Division of Real Estate  
P O Box 146711  
Salt Lake City UT 84111

**Practicing appraisers need to possess the current Utah statute and rules, along with the most current edition of USPAP (1999).**

Contact:  
Utah Division of Real Estate  
P O Box 146711  
Salt Lake City, UT 84114  
(801) 530-6747

If you pick them up:  
USPAP -- \$6.50  
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If we mail them:  
USPAP -- \$8.50  
Rules -- \$5.00

